

Comments offered in SUPPORT of SB 295, repealing the so-called "Oil and Gas Tax Holiday":

Good morning, members of the committee. I am Bob Adams of Helena and I'm a member of Montana Conservation Voters. Montana Conservation Voters is a statewide membership organization with approximately 18,000 members. We work to protect our clean air and water, public land, wildlife and public health.

Thank you for this opportunity to speak in SUPPORT of SB 295.

Senator Kaufmann's bill is about fundamental fairness, about equity.

While creating jobs and boosting Montana's economy, this bill addresses the urgent problems of infrastructure impacts upon those communities where the drills tap the resource; where, literally, "the rubber meets the road."

Impacts go beyond the obvious need for housing when a surge of workers arrive. A "fair share" restoration of the production tax can address impacts to:

Schools, roads, bridges, water and sewer; new burdens on law enforcement, fire protection, emergency medical services.

Re-instating the production tax (which won't deter drilling—higher taxes are paid in adjacent states) will generate revenue during the first 12 to 18 months of production, when typically more than half the production volume occurs with a new well. AND...the revenue collected goes...not to the general fund...but 50% to each of two new funds directed at mitigating the impacts:

1. The "community oil and natural gas impact relief account and
2. The renewable resources trust fund directed primarily toward developing wildlife habitat and conservation of water resources.

In other words, the regained revenue will be focused where it is urgently needed.

This bill provides a win-win scenario for Montana production workers and for the communities where they've arrived: jobs...and mitigation of community and landscape impacts.

Montana Conservation Voters strongly supports passage of SB295 and moving it on to the Senate floor.